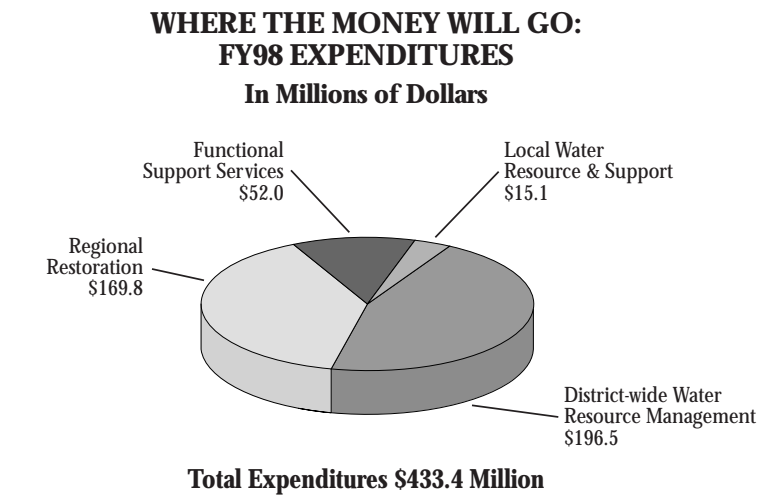


Expenditures

The chart and table below display the District’s FY98 budget by program. The District categorizes its expenditures within the following four major program areas: (1) District-wide Water Resource Management Programs, (2) Regional Restoration Programs, (3) Local Water Resource and Support Programs, and (4) Functional Support Services Programs. Approximately 45.3 percent of the FY98 budget is allocated to the District-wide Water Resource Management Program, which includes the District’s land acquisition, flood control, regulatory, data acquisition, and water management planning programs. The remaining portion is allocated among the other three program areas.

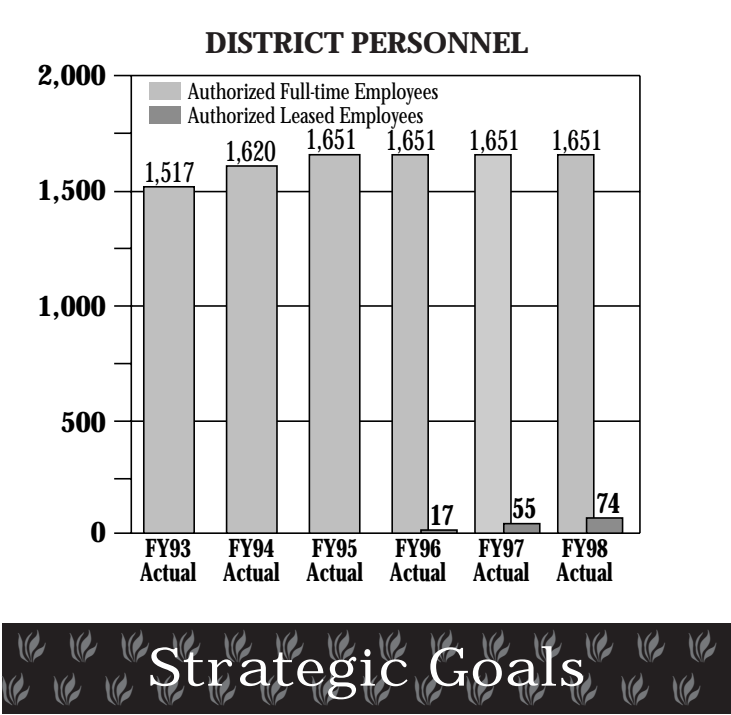


FY98 PROGRAMMATIC BUDGET HIGHLIGHTS	
District-wide Water Resource Management Programs	\$ in millions
Water Resource Land Acquisition (SOR/P2000 Programs) . . .	\$72.8
Operations & Maintenance of Regional Flood Control Systems . .	.66.8
Water Management Planning and Implementation . . . . .	.32.4
Regulation . . . . .	.11.4
Water Resources Data Acquisition & Analysis . . . . .	.12.5
Program Support . . . . .	.0.6
Subtotal	\$196.5
Regional Restoration Programs	
Everglades Restoration	\$120.3
Florida Bay/South Everglades Restoration . . . . .	.23.5
Kissimmee Basin Restoration . . . . .	.18.5
Lake Okeechobee Restoration . . . . .	.5.0
Program Support . . . . .	.2.5
Subtotal	\$169.8
Local Water Resource and Support Programs	
Government and Public Outreach	\$14.6
Program Support . . . . .	.0.5
Subtotal	\$15.1
Functional Support Services Programs	
District/Basin Management and Administration	\$50.6
Short/Long Term Vision . . . . .	.1.3
Program Support . . . . .	.0.1
Subtotal	\$52.0
Total Budget	\$433.4

Personnel

The chart below displays District authorized positions from the years FY93 through FY98. It is important to note that over the last four years, the District has kept its full-time permanent employee levels constant at 1,651, although the District’s workload has not diminished. In fact, the District’s activities and responsibilities have grown significantly in the areas of ecosystem restoration/enhancement, water supply planning, research, monitoring, regulation, and mitigation. Several initiatives (such as employee redirection, attrition management planning, voluntary reassignment, and employee retraining) have been underway in order to remain at the current level of authorized positions.

The FY98 budget does include an additional 19 leased positions, bringing the FY98 total number of leased positions to 74. However, these positions are of limited duration and only require funding on a project by project basis. Thus, the District incurs no long-term commitment, gains flexibility, and saves costs due to a less expensive benefit package.



Strategic Goals

The strategic goals listed below reflect the most important issues the District will face over the next several years. The goals are not listed in order of priority.

- ✎ Determine the feasibility of and implement changes to the Central & Southern Florida Flood Control Project to restore the South Florida Ecosystem
- ✎ Restore the Kissimmee River
- ✎ Protect and enhance Lake Okeechobee
- ✎ Restore the Everglades and Florida Bay
- ✎ Develop regional water management plans
- ✎ Protect and enhance estuarine systems
- ✎ Increase effective and efficient use of organizational and fiscal resources.

In January 1994, the Governing Board approved these goals which are the foundation of the District’s strategic plan. The strategic plan discusses each goal in greater detail and identifies specific action plans and schedules to support each goal. For a copy of the plan, write or call the District at the address and phone number provided on the back.

District Overview

MISSION

The mission statement of the South Florida Water Management District plays an integral part in the overall development of the District’s annual budget. The theme, inherent in the mission statement, is that the District should carry out its responsibilities as doers at the regional level, and facilitators or catalysts at the local level. The District’s role at the local level will center on providing technical expertise and guidance from a regional planning perspective with an eye to ensuring consistency with multicounty regional plans.

Mission Statement

- Provide stewardship of regional water and related land resources:
- ✎ Stewardship implies trustee role
 - ✎ Doers at regional level; facilitators/catalysts at local level
 - ✎ Meet the needs of the present generation without compromising the needs of future generations.

HISTORY

The need to respond to South Florida’s subtropical extremes—flood and drought — led initially to congressional adoption of the Central & Southern Florida Flood Control Project in 1948. The following year the Florida Legislature created the Central and Southern Florida Flood Control District (FCD) to act as the local sponsor for the U.S. Army Corps of Engineers construction project.

The Florida Water Resources Act of 1972 divided the state into five regional water management agencies, greatly expanding the responsibilities of the FCD. The FCD was renamed the South Florida Water Management District in 1976. New boundaries were established to better reflect the statewide regional system.

GENERAL OPERATIONS

There are more than 1,800 miles of canals and levees within the District system, with over 200 water control structures operated by the District.

Close to 2,000 smaller structures are in place throughout the system to control inflow from secondary sources into the primary system. Twenty-nine major pumping stations move water into and out of storage areas, providing both water supply and flood protection. All of these components make the District’s water control system one of the largest and most complex in the world. To operate and maintain the system, the District established eight regional field stations.

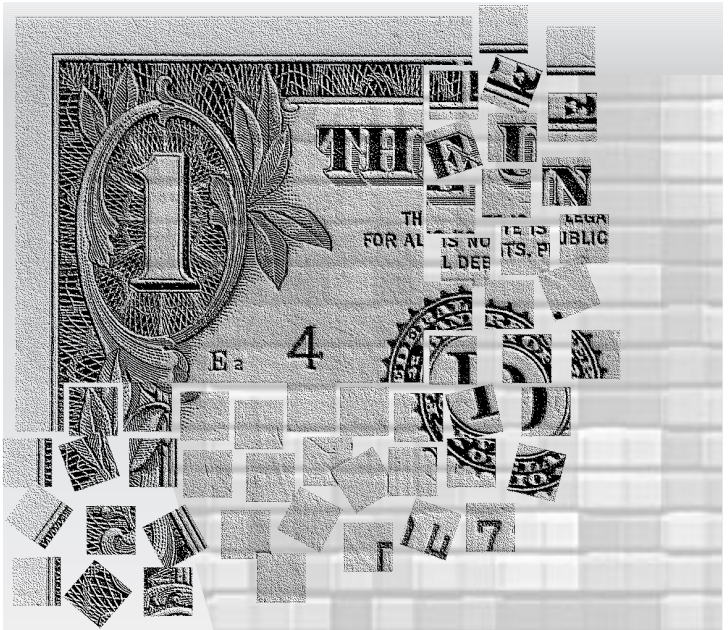
The District/Okeechobee Basin headquarters is in West Palm Beach. Area service centers are located in Fort Myers, Miami, Fort Lauderdale, Stuart, Naples, Okeechobee, Big Pine Key, and Orlando. These service centers provide permitting support and general assistance to the public. The Big Cypress Basin office is in Naples.

GOVERNING BOARD & EXECUTIVE MANAGEMENT

The Governing Board is composed of nine members appointed from specific geographic areas within the District. The members are appointed by the Governor and are confirmed by the Florida Senate. Appointments are made on a staggered basis as vacancies occur. Board members serve without salary, generally for a term of four years.

The Governing Board appoints the agency’s Executive Director and Inspector General. The Executive Director, like Governing Board members, must be confirmed by the Florida Senate. The Executive Director serves as the Secretary to the Governing Board and, with the Deputy Executive Director, is responsible for administering the directives of the Board.

South Florida Water Management District
3301 Gun Club Road • West Palm Beach, FL 33406
(561) 686-8800 or (800) 432-2045 (Toll Free in Florida)



Annual Budget FY 1997-98 Highlights

**SOUTH FLORIDA
WATER MANAGEMENT DISTRICT**

Environmental Protection and Enhancement
Water Supply • Flood Protection
Water Quality Protection

GOVERNING BOARD: Frank Williamson, Jr., *Chairman* • Eugene K. Pettis, *Vice-Chairman* • Mitchell W. Berger • Vera M. Carter • William E. Graham
William Hammond • Richard A. Machek • Michael D. Minton • Miriam Singer
Samuel E. Poole III, *Executive Director* • Michael Slayton, *Deputy Executive Director*

Executive Director’s Message

To the Residents of South Florida:

The South Florida Water Management District’s FY98 adopted budget totals \$433.4 million. It reflects months of staff preparation, public comment, Governing Board oversight, and review by the Governor’s Office, the Department of Environmental Protection and the State Legislature. We have continued our commitment to reexamine every aspect of our day-to-day operations—to streamline, redirect, prioritize, scale back, and eliminate.

As we look to 1998, it is appropriate to review some of our major achievements during the past 12 months.

I am particularly proud that we have seen years of planning on Everglades cleanup and restoration finally become a solid reality. In April, we began construction on the first stormwater treatment area. During FY98, we will begin other projects that will help achieve a healthier Everglades along with a sustainable regional economy.

Under the District’s regulatory program for the Everglades Agricultural Area (EAA), EAA growers have exceeded state requirements for reducing the amount of phosphorus flowing off their land via onsite best management practices. This is good news! So, too, are the results from our Everglades Nutrient Removal (ENR) Project, the prototype for the stormwater treatment areas. For the third full year of test operations, the ENR Project continues to exceed expectations in removing phosphorus from the water.

To further needed Everglades research, the District, in cooperation with Florida Atlantic University (FAU), this spring opened a unique greenhouse on FAU’s Boca Raton campus. Research conducted here will help determine the minimal level of phosphorus that can harm the environment. State law requires this measurement.

The District has focused much attention on water management planning, and we have made much progress on this effort. Long-term water management plans for various regions outline the future needs for this most populous and environmentally sensitive part of the state.

Also crucial for developing regional water resources is our success in purchasing important parcels of land along the East Coast Buffer that separate the Everglades from the urban sprawl of Dade, Broward, and


Palm Beach counties. Acquiring this land will increase the area needed to store water during heavy rains, rather than sending it to the ocean. It will also help recharge the groundwater supplies and avert losing that groundwater through seepage.

On September 23, 1997, the Governing Board adopted a final FY98 millage rate for the Okeechobee Basin that is 3.7 percent above FY97 tax rates and a final FY98 millage rate for the Big Cypress Basin that is 16.6 percent above FY97 tax rates. For a description of the District’s taxing jurisdiction and Basin boundaries, see the map and accompanying discussion on the following page.

The adopted FY98 tax increase will allow the District to proceed with major projects in three categories: federal critical restoration projects, regional water resource development projects, and Big Cypress Basin capital improvement projects. Were it not for these specific new projects, the District would be able to continue operating within the same tax rate as in the FY97 budget. However, these projects and other local partnership efforts reflect the District’s acceptance of responsibility as well as implementation of legislative direction.

We believe the FY98 budget is a sound investment in Florida’s future. The response from the public to this budget at 11 forums held throughout the 16-county District indicated as much. So, too, has the feedback from residents, special-interest groups, our Governing Board’s appointed Budget Review Commission, the Governor’s Office, and others who have attended and participated in monthly board meetings and special workshops.

I feel strongly that the FY98 budget reflects needed and responsible action by this agency to sustain South Florida water resources and to ensure an acceptable quality of life today and in the future. As always, District staff is available to answer any questions or provide additional information to aid in your understanding of our overall budget.

Sincerely,

Samuel E. Poole III, Executive Director
South Florida Water Management District

Budget Comparison

FISCAL YEAR 1996-97	FISCAL YEAR 1997-98**
Adopted Total Budget = \$523.5 million	Adopted Total Budget = \$433.4 million
\$177.1 -- Funded by Ad Valorem Taxes	\$195.4 -- Funded by Ad Valorem Taxes
\$346.4 -- Funded by Other Revenue Sources	\$238.0 -- Funded by Other Revenue Sources
Adopted Tax Rates*:	Adopted Tax Rates*:
Okeechobee Basin = .672 <i>(includes required .1 mill for Everglades Construction Project)</i>	Okeechobee Basin = .697 <i>(includes required .1 mill for Everglades Construction Project)</i>
Big Cypress Basin = .482	Big Cypress Basin = .562
<i>* Represents about 67¢ and 48¢ respectively per \$1,000 of taxable value.</i>	<i>* Represents about 70¢ and 56¢ respectively per \$1,000 of taxable value.</i>
Reasons for FY 1997-98 Tax Increase	
☛ Critical Restoration Projects	\$4.8 million
☛ Water Resource Development Projects	\$1.8 million
☛ Big Cypress Basin Capital Improvement Projects	<u>\$1.5 million</u>
TOTAL	\$8.1 million
** The District’s fiscal year 1997-98 begins on October 1, 1997.	

Impact on Homeowner

There are two basins within the District — the Okeechobee Basin, which spans most of the District, and the Big Cypress Basin, which includes all of Collier and part of Monroe counties (see map below). Separate tax levies are set for each basin. The average impact of the District’s FY97-98 budget on a homeowner in each basin is provided below.

OKEECHOBEE BASIN

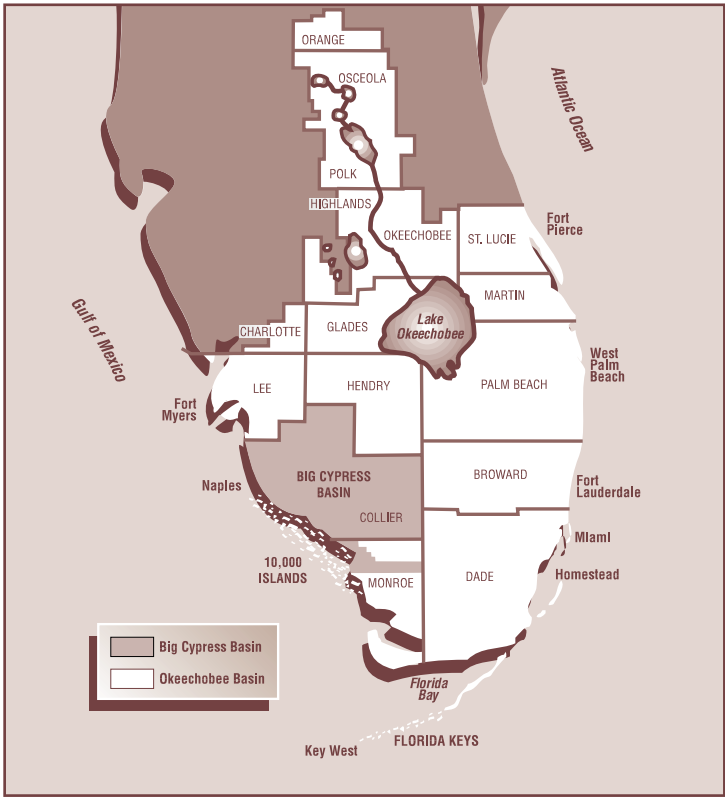
Property taxes for a homeowner residing in the Okeechobee Basin with a home assessed at \$125,000 less a \$25,000 homestead exemption will be \$69.70 per year — an increase of \$2.50, or 3.7 percent above 1997 tax rates.

BIG CYPRESS BASIN

Property taxes for a homeowner residing in the Big Cypress Basin with a home assessed at \$125,000 less a \$25,000 homestead exemption will be \$56.20 per year — an increase of \$8.00 or 16.6 percent above 1997 tax rates.

District Boundaries

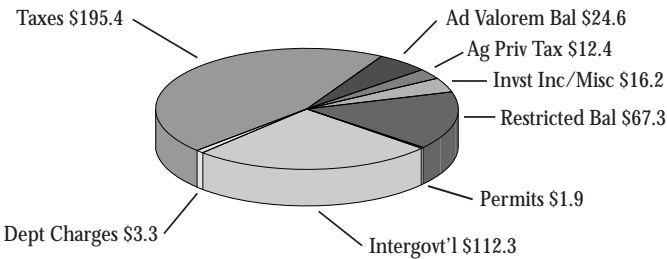
The District’s taxing jurisdiction includes all or part of 16 counties, spanning from Orlando to Key West, with a population of more than five million, and a total area of 17,930 square miles. Its boundaries are based on natural, hydrologic basins rather than political/county limits to allow for more effective and efficient water resource management. The map below displays the boundaries of each of the two basins within the District’s jurisdiction.



Revenue

The chart and table below display the sources of funds for the FY98 budget. In FY98, the District projects to have a total of \$433.4 million in available funding. Ad valorem taxes represent 45.1 percent of this total. Intergovernmental revenue represents 25.9 percent and is primarily used to support the District’s land acquisition initiatives. The remaining funds are derived from a variety of other sources.

WHERE THE MONEY WILL COME FROM:
FY98 REVENUE
In Millions of Dollars



Total Revenue and Balances \$433.4 million

Summary of Revenue for Fiscal Years 1995 through 1998 (In Millions)				
Revenue by Fund	Actual FY95	Actual FY96	Adopted FY97	Adopted FY98
General Fund	\$65.0	\$72.7	\$90.3	\$101.9
Special Revenue	\$84.9	\$92.4	\$103.3	\$119.2
Capital	\$91.5	\$121.1	\$326.7	\$209.0
Internal Service	\$2.4	\$2.7	\$3.2	\$3.3
Total Revenue by Fund	\$243.8	\$288.9	\$523.5	\$433.4
Revenue by Source				
Ad Valorem				
Property Taxes	\$145.7	\$165.0	\$177.1	\$195.4
Intergovernmental Revenues	\$62.2	\$85.6	\$196.3	\$112.3
Agricultural Taxes	\$13.0	\$12.3	\$12.9	\$12.4
Licenses, Permits & Fees	\$2.2	\$3.6	\$2.3	\$1.9
Investment Earnings/Misc.	\$18.3	\$19.7	\$12.9	\$16.2
Department Charges	\$2.4	\$2.7	\$3.5	\$3.3
Subtotal	\$243.8	\$288.9	\$405.0	\$341.5
Ad Valorem Balance	\$0.0	\$0.0	\$17.7	\$24.6
Restricted Balance	\$0.0	\$0.0	\$100.8*	\$67.3*
Total Revenue by Source	\$243.8	\$288.9	\$523.5	\$433.4
* Represents funding primarily dedicated for District land acquisition and construction activities.				